TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE Transcriber's Office

January 23, 1997 LB 55

from the local political subdivision funds, most pointedly the school funds, from my perspective. But if I understand, and I will get to a question here ultimately which has to do with a lot of money, I think. If I'm understanding this right, let's take two people. They both have the same unfortunately catastrophic kind of illness, however you define it. And one person can afford the CHIPS premium, that portion that he or she needs to pay in order to get coverage under CHIPS. person can't afford to make any premium payment at all. So I take it the one person would get all this help from the state under the CHIPS program, and the other person would get none at all from the state under the CHIPS program. What happens to the person who cannot pay any premium whatsoever? That person, I take it, to the extent that their assets are finally depleted, goes onto the Medicaid program, which is at least in large part federally funded and not state funded. My first question is an equity question. Why should we require the one to go on Medicaid and the other, simply because they have a little premium money, to get all this extra help from the state? do we not treat them equally and apply a simple depletion of assets rule to all in order to qualify for whatever benefits we see fit to make available to all? And, secondly, if we did do that and simply required the CHIPS people to rely on Medicaid or pay their premiums like everybody else, if we did do that, then wouldn't we retain a lot of the state money that is currently insurance premium being paid into CHIPS for other purposes, and pay for the CHIPS people now under Medicaid with primarily Just interested in whatever response federal funds? appropriate.

SPEAKER WITHEM: Senator Beutler, you're directing that question to Senator Landis, is that correct?

SENATOR BEUTLER: Yes.

SPEAKER WITHEM: Senator Landis.

SENATOR LANDIS: I'll do my best to explain the CHIPS program. Although I'm not the originator of the program, I have been a supporter over time. I'll try to do that. Senator Wesely is the principal introducer of the measure originally, and he might have some different reflections on the philosophy. What the